

## Supply of New Office Space 2016 (Tokyo & Osaka)

December 24, 2015

Xymax Real Estate Institute is releasing the Supply of New Office Space 2016 of Tokyo 23 Wards and Osaka City. The volume of new supply makes a direct impact on market balance. Xymax compiled the data of the rentable office space in major buildings (over 3,000 tsubo\* = approx. 9,900 sqm) expected to be constructed in Tokyo 23 Wards and Osaka City in the coming years. \* 1 tsubo = 3.3 sqm

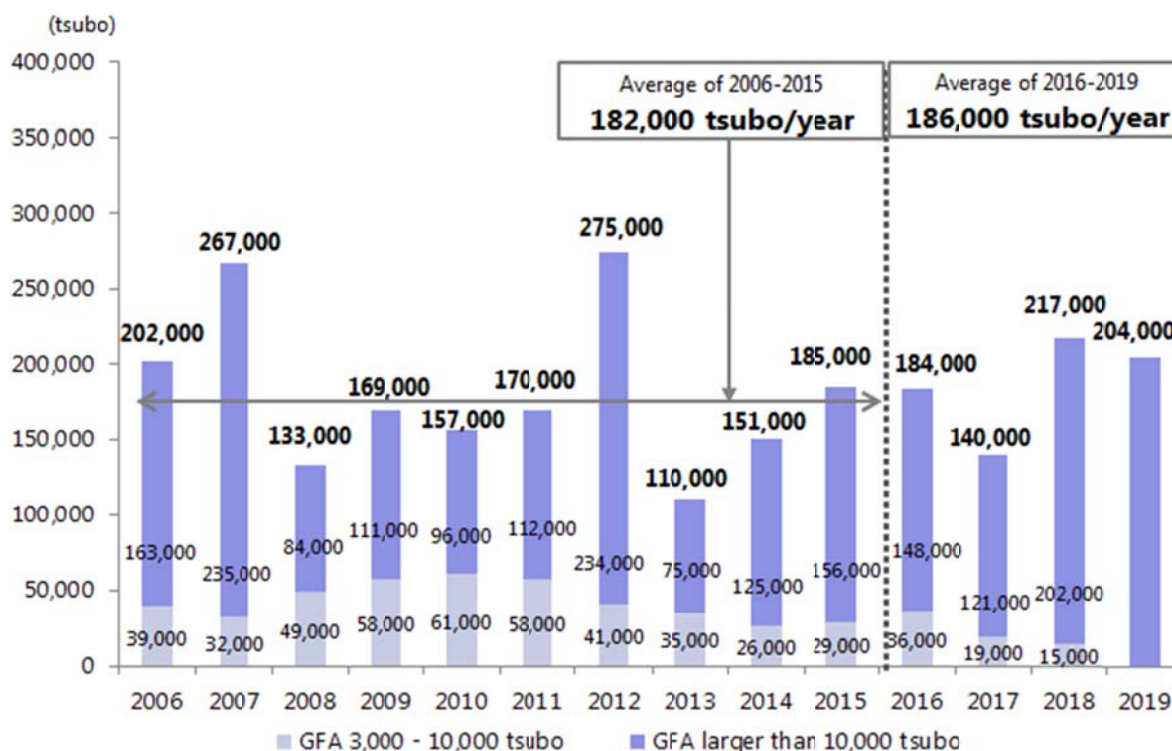
### 1. Tokyo 23 Wards

The new supply in Tokyo 23 Wards in 2016-2019 is 186,000 tsubo per year on average (**Figure 1**), slightly exceed 180,000 tsubo in the previous survey<sup>\*1</sup> covering 2015-2018. Considering the possibility of additional projects, the average new supply per year for the next four years is expected to increase even further from the average in 2006-2015.

The new supply of large buildings with over 10,000 tsubo in gross floor area is expected to see an increase from 139,000 tsubo per year on average in the past to 168,000 tsubo in 2016-2019. The years 2018 and 2019, in particular, are expected to have a large volume of new supply: over 200,000 tsubo each year.

\*1 Supply of New Office Space Survey 2015 (released on February 9, 2015)  
<https://www.xymax.co.jp/english/research/images/pdf/20150202.pdf>

**Figure 1: New Supply in Tokyo 23 Wards (Rentable Area)**



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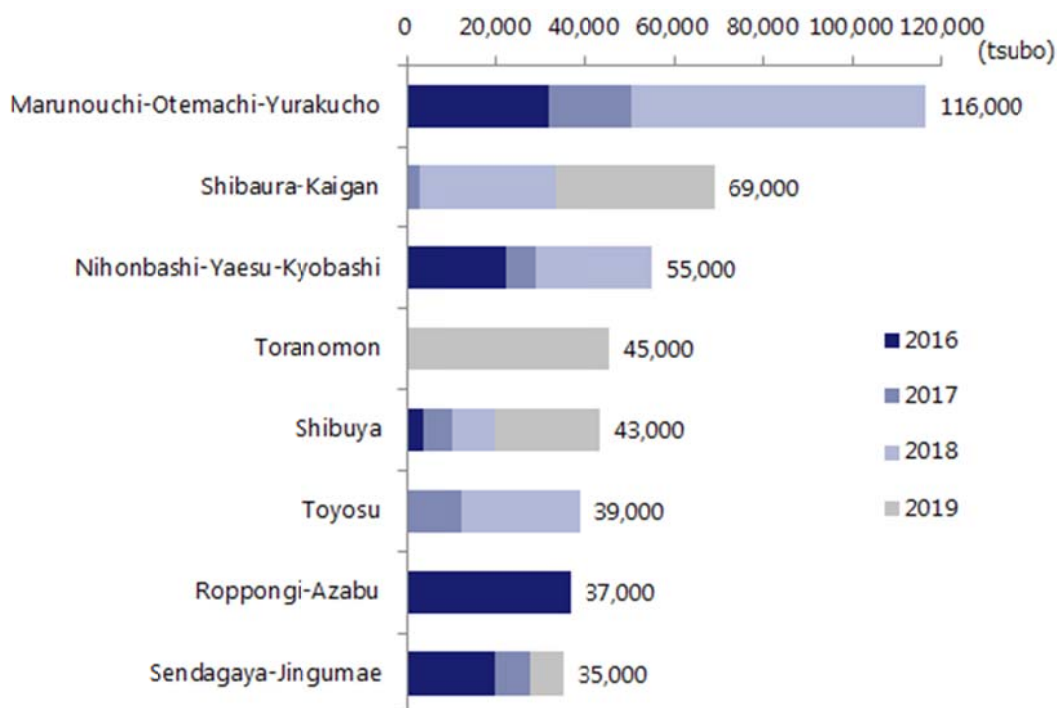
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### New Supply by Area

Similar to the results of last year's survey, the area-by-area analysis found that about 65 % of the new supply in 2016-2019 will be in Tokyo's central three wards: Chiyoda, Chuo and Minato. Provided below are the trends in major office areas (**Figure 2**):

- Marunouchi-Otemachi-Yurakucho in central Tokyo has the largest volume of new supply in Tokyo with approx. 120,000 tsubo. This area is enjoying a wave of redevelopment projects in which old buildings are being replaced with new buildings one after another. A sizable supply is expected to continue.
- Shibaura-Kaigan is expected to have new office space from large redevelopment projects in the area where used to be dominated by non-office buildings.
- Also in Nihonbashi-Yaesu-Kyobashi, the area adjacent to Marunouchi-Otemachi-Yurakucho across Tokyo Station, new office space from large redevelopment projects is expected to continue.

**Figure 2: Supply of New Office Space 2016-2019 by Area**



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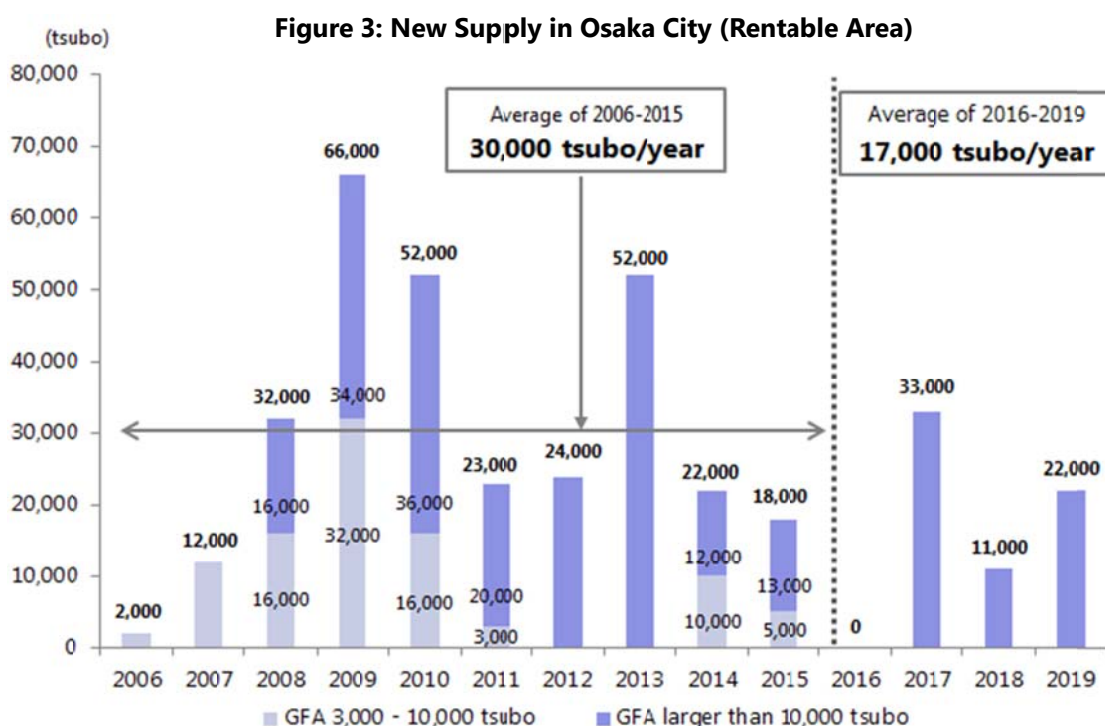
## 2. Osaka City

The new supply in Osaka City in 2016-2019 is 17,000 tsubo per year on average (**Figure 3**), slightly exceed 15,000 tsubo per year in the previous survey\*<sup>2</sup> covering 2015-2018. This is roughly a half of the ten-year average of 30,000 tsubo per year in 2006-2015. No new supply is expected in 2016.

The new supply of large buildings with over 10,000 tsubo in gross floor area is expected to decrease to 17,000 per year on average in 2016-2019 from 21,000 tsubo in the past.

As a reference, we compared the new supply in Osaka City and Tokyo 23 Wards. Osaka City's average new supply per year in 2016-2019 is less than one tenth of Tokyo 23 Wards' 186,000 tsubo per year.

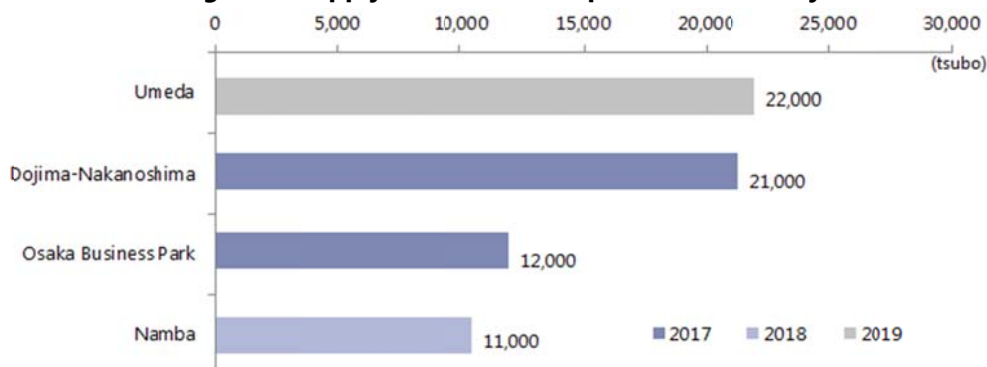
\*2 Osaka City New Supply of Office Buildings & Office Stock Pyramid 2015 (released on July 10, 2015)  
<https://www.xymax.co.jp/english/research/images/pdf/20150710.pdf>



### New Supply by Area

The area-by-area analysis found that the new office space will be in Osaka City's major office areas such as Umeda, Dojima-Nakanoshima, Osaka Business Park and Namba (**Figure 4**).

**Figure 4: Supply of New Office Space 2016-2019 by Area**



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### Survey Overview

<b>Period</b>	November 2015
<b>Area</b>	Tokyo 23 Wards and Osaka City
<b>Buildings</b>	3,000 tsubo or larger gross floor area. Primarily used as office space. Owner-occupied buildings are excluded.
<b>Data</b>	Rentable office space in tsubo (1 tsubo = 3.3 sqm)
<b>Data Source</b>	Compiled based on publicly available sources such as newspaper articles. On-site inspections and interviews with developers were conducted for some of the buildings.

- The size of space in new buildings is the subject of this survey. Please keep in mind that this is not a complete survey.
- If the size of the rentable area is publicly available, that size is used; if not, the rentable area is estimated based on the gross floor area of the building with the formula Xymax Real Estate Institute jointly developed with the laboratory of Dr. Naoki Katoh, Professor of Kyoto University Graduate School of Engineering.
- The new supply in this survey was estimated as of the date of this survey. Actual new supply changes as new information becomes available.

**For questions on this report, please contact us.**

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